Bill No.______________________

Concerning: Amending the eligibility requirements for the New Jobs and Enhanced New Jobs Tax Credits

Introduced ____________________

Revised: ________ Draft No. ______

Enacted: ____________________

Effective: ____________________

Expires: ____________________

Frederick County Code, Chapter 1-8

Section(s) 432, 433, 436

COUNTY COUNCIL
FOR FREDERICK COUNTY, MARYLAND

By: Council President Brad W. Young

AN ACT to: Amend the eligibility requirement for the New Jobs and Enhanced New Jobs Tax Credits

Date Council Approved: ____________ Date Transmitted to Executive: ____________

Executive: ____________ Date Received: ____________

Approved: ____________ Date: ____________

Vetoed: ____________ Date: ____________

Date returned to Council by County Executive with no action: ____________

By amending:

Frederick County Code, 1-8 Section(s) 432, 433, 436

Other: ____________________

Boldface	*Heading or defined term.*
Underlining	*Added to existing law.*
[Single boldface brackets**]**	*Deleted from existing law.*
* * *	*Existing law unaffected by bill.*

Bill No. **-**

The County Council of Frederick County, Maryland, finds it necessary and appropriate to amend the Frederick County Code to amend the eligibility requirement for the New Jobs and Enhanced New Jobs Tax Credits.

NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF FREDERICK COUNTY, MARYLAND, that the Frederick County Code be, and it is hereby, amended as shown on the attached Exhibit 1.

____

Brad W. Young, President
County Council of Frederick County, Maryland

Exhibit 1

ARTICLE XII: NEW JOBS TAX CREDIT

***

§ 1-8-432 DEFINITIONS.

In this section the following words have the meanings indicated.

AFFILIATE, BUSINESS ENTITY, NEW OR EXPANDED PREMISES, NEW PERMANENT FULL-TIME POSITION, and ***NOTIFICATION DATE*** have the meanings defined in Md. Code Ann., Tax-Property Article, § 9-230, or any successor provision.

AVERAGE WAGE. The 50th percentile wage for the Frederick Workforce Region in the Occupational Employment and Wages Statistics published by the Maryland Department of Labor in the prior calendar year.

COUNTY. Frederick County, Maryland.

DIRECTOR OF FINANCE. The Director of Finance for Frederick County or designee.

ENHANCED NEW JOBS TAX CREDIT. The credit granted under this article to a qualified business entity against the county real property tax imposed on the new or expanded premises that qualify under state law for an enhanced new jobs credit.

NEW JOBS TAX CREDIT. The credit granted under this article to a qualified business entity against the county real property tax imposed on the new or expanded premises.

§ 1-8-433 ELIGIBILITY FOR TAX CREDIT.

(A) To qualify for a new jobs tax credit under this article, a business entity must, on or after July 31, 2011:

(1) Construct, or expand by at least 5,000 square feet, premises in Frederick County on which it conducts business by buying, building, or leasing new premises;

(2) Employ at least 25 persons in new permanent full-time positions paying at least the average wage located in the new or expanded premises in Frederick County within the first 24-month period after it occupies the new or expanded premises;

(3) Be located in a priority funding area as designated in Title 5, Subtitle 7B of the State Finance and Procurement Article; and

(4) Notify the Director of Finance, as required under Md. Code Ann., Tax-Property Article, § 9-230(b)(6) **[**state law**]**;

(5) Meet all other requirements under state and county law to qualify for the new jobs credit; and

---

Underlining *indicates matter added to existing law.*
[Single boldface brackets**]** *indicates matter deleted from existing law.*
*** **-** *indicates existing law unaffected by bill.*

(6) After meeting the requirements set forth above, and in order to continue to receive a new jobs tax credit each year allowed under this ordinance, the business entity must thereafter maintain at least 25 persons in permanent full-time positions located in the new or expanded business premises as indicated above for a period of 3 years after each year that a tax credit is allowed.

***

§ 1-8-436 ADMINISTRATION OF TAX CREDIT.

(A) A business entity must apply for either tax credit on a form furnished by the Director of Finance, must identify which tax credit it intends to request, and declare when and how it expects to qualify for the credit.

(B) When a business entity believes it has met all requirements for the tax credit, it may apply for certification on a form furnished by the Director of Finance and must provide sufficient information to show that all requirements under this article and applicable state law have been met <u>on or before April 30 of each calendar year to receive this tax credit for the following tax year (July 1 through June 30)</u>.

(C) The Director of Finance shall:

(1) Determine the eligibility of the business entity for the tax credit;

(2) Notify the State Department of Assessments and Taxation that a business entity has been approved for the tax credit; and

(3) Require submission of information by the business entity each year that a tax credit is sought and during the 3 taxable years after any year when the tax credit was earned to verify, to the Director of Finance's satisfaction, that the business entity continues to satisfy all applicable requirements under this article.

(D) A business entity which submits a false or fraudulent application, or withholds information, to obtain a tax credit under this article must repay the county for all amounts previously credited for any and all years that the credits were provided and all accrued interest and penalties that would apply to those amounts as overdue taxes. A business entity which violates this subsection is liable for all court costs and expenses of the county in any civil action brought by the county against the violator. The county may collect any repayable tax credit, and otherwise enforce this article, by any appropriate legal action.

(E) The Director of Finance may promulgate regulations to administer the new jobs tax credit and enhanced new jobs tax credit enacted by this article.

<u>Underlining</u> *indicates matter added to existing law.*
[Single boldface brackets**]** *indicates matter deleted from existing law.*
**** - indicates existing law unaffected by bill.*

Frederick County, Maryland

Staff Report Concurrence Form

To: Office of the County Executive

Date: 10/1/2025

Division Director: Victoria Venable

Approved: DocuSigned by: Victoria Venable 2D089227B21D4E5...

From: Jordan Hyde

Division: County Executive Office

Phone #: 240-793-6431

Please verify you have attached the correct documents

Staff Memo: X Attachments: Yes: X No:

Staff Report Topic:

Proposed bill-Amendments to the New Jobs Tax Credit

Time Sensitive? Yes ☒ (if yes, deadline for approval: 10/17/2025) No □

Action Requested by Executive's Office: Signature Requested ☒ OR Information Only □

Staff Report Review:

This staff report has been thoroughly reviewed first by the appropriate divisions/agencies noted on Page 2 followed by those outlined below:

	Name	Signature	Date
Budget Office	Kelly Weaver	DocuSigned by: Kelly Weaver 15B09697D28946D...	10/3/2025
Finance Division	Erin White	DocuSigned by: Erin White 2138DCA88D9E4DA...	10/3/2025
County Attorney's Office	Catherine Keller	Signed by: Catherine Keller C8844E6B7260455...	10/6/2025

Refer to County Council? Yes ☒ No □ (County Attorney's Office to complete)

Chief Administrative Officer	John Peterson	DocuSigned by: John Peterson 0090FF05084D471...	10/6/2025
County Executive	Jessica Fitzwater	DocuSigned by: Jessica Fitzwater 32F7AAE4DF204E6...	10/16/2025

Forward to Council? Yes ☒ No □ (County Executive to complete)

Initial AB

Frederick County, Maryland

Staff Report Concurrence Form

Other Reviewers:

Title	Name	Signature	Date
3. Director Division of Economic Opportunity	Lara Fritts	DocuSigned by: Lara Fritts 5C992C05B5A64FA...	10/1/2025
4. Director Division of Economic Opportunity	Lara Fritts	DocuSigned by: Lara Fritts 5C992C05B5A64FA...	10/3/2025
5.			
6.			
7.			
8.			
9.			
10.			

Comments:

From	Date	Comment

FREDERICK COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

TO: County Executive Jessica Fitzwater

THROUGH: Victoria Venable, Director of Government Relations

FROM: Jordan Hyde, Government Relations Assistant

DATE: October 1, 2025

SUBJECT: Proposed bill-Amendments to the New Jobs Tax Credit

ISSUE:

Should the County Executive approve and forward to the County Council a proposed bill (Attachment 1) to amend Chapter 1-8 to reform the New Jobs Tax Credit?

BACKGROUND:

Frederick County offers a New Jobs Tax Credit to businesses that construct or expand by at least 5,000 square feet in a priority funding area and create at least 25 full-time, permanent jobs within the first two years of expansion may qualify for a New Jobs Tax Credit. Maryland Code Ann., Tax-Property Article § 9-230 provides the authority to local governments to offer this tax credit to incentivize job creation and economic growth across Maryland. These newly created jobs must be full-time, permanent jobs.

Md. Code Ann., Tax-Property Article, § 9-230:

(b) (1) The Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation may enact legislation necessary to grant either property tax credits, enhanced property tax credits, or both types of property tax credits against the county or municipal corporation property tax imposed on real property owned or leased by business entities that meet the requirements specified for the applicable tax credit under this section and on personal property owned by business entities that meet the requirements specified under this section.

The proposed bill (Attachment 1) amends our existing New Jobs Tax Credit within our local authority with the aim of ensuring the program is creating jobs with family-sustaining wages. Currently, the business is required to pay employees at least 150% of the federal minimum wage, which equates to $10.86 per hour. The proposed bill requires that a business pay at least the “average wage” to their employees in order to be eligible for the tax credit.

Average Wage is defined in the bill as “the 50th percentile wage for the Frederick Workforce Region in the Occupational Employment and Wages Statistics published by the Maryland Department of Labor in the prior calendar year.” In 2024, this average wage was $56,499 a year, or $27.16 an hour.

For 2025, we can estimate that the average wage will increase to the $58,000 to $60,000 range, or approximately $30 an hour.

Finally, the bill establishes a deadline of April 30 for businesses to apply for the certification needed from the Director of Finance in order to obtain the tax credit, which remains consistent with other County business tax credits.

STRATEGIC ANALYSIS:

The eligibility requirements coincide with Livable Frederick's Master plan by "requiring business entities to offer wages that are conducive to their living environment." Specifically, business entities must employ at least 25 persons in new permanent full-time positions paying at least the average wage located in the new or expanded premises in Frederick County within the first 24-month period after they occupy the new or expanded premises.

Moreover, the tax credits work in tandem with Livable Frederick's Growth Strategy, as it strives to capitalize on existing assets in the County that can play a significant role in meeting the demand for growth.

RECOMMENDATION:

Staff recommends that the County Executive approve the proposed bill and forward it to the County Council for consideration.

Approve? Yes ___x___ No ________

DocuSigned by:
Jessica Fitzwater
32F7AAE4DF204E6... 10/16/2025

Jessica Fitzwater, County Executive Date

Frederick County, Maryland

FINANCIAL IMPACT: Yes- Direct, dependent on entities applying for the tax credit.

1. Fiscal Year of Financial Impact:
2. Account Unit / Activity & Account:
3. Budget Balance as of (Date of Staff Memo):
4. Budget Journal Required:
5. Is or will lead to an ongoing expense (yes or no). If yes, explain impact to future budgets.
6. Amount of County Funding Requested:

7. Adding FTEs not budgeted:
8. Other Pertinent Information:

ATTACHMENT(S):

Attachment 1: Proposed bill

ATTACHMENT 1

Bill No.______________________________

Concerning: Amending the eligibility requirements for the New Jobs and Enhanced New Jobs Tax Credits

Introduced ____________________________

Revised:__________ Draft No._______

Enacted:_____________________________

Effective:____________________________

Expires:_____________________________

Frederick County Code, Chapter 1-8

Section(s) 432, 433, 436

COUNTY COUNCIL
FOR FREDERICK COUNTY, MARYLAND

By:

AN ACT to: Amend the eligibility requirement for the New Jobs and Enhanced New Jobs Tax Credits

Date Council Approved: __________________ Date Transmitted to Executive: ___________________________

Executive:_________________________ Date Received:___________________

Approved: _____________________ Date: _________________

Vetoed: _______________________ Date: _________________

Date returned to Council by County Executive with no action: ________________________

By amending:

Frederick County Code, 1-8 Section(s) 432, 433, 436

Other: ____

Boldface	*Heading or defined term.*
Underlining	*Added to existing law.*
[Single boldface brackets**]**	*Deleted from existing law.*
* * *	*Existing law unaffected by bill.*

Bill No. **-**

The County Council of Frederick County, Maryland, finds it necessary and appropriate to amend the Frederick County Code to amend the eligibility requirement for the New Jobs and Enhanced New Jobs Tax Credits.

NOW, THEREFORE, BE IT ENACTED BY THE COUNTY COUNCIL OF FREDERICK COUNTY, MARYLAND, that the Frederick County Code be, and it is hereby, amended as shown on the attached Exhibit 1.

____

Brad W. Young, President
County Council of Frederick County,
Maryland

Exhibit 1

ARTICLE XII: NEW JOBS TAX CREDIT

***

§ 1-8-432 DEFINITIONS.

In this section the following words have the meanings indicated.

AFFILIATE, BUSINESS ENTITY, NEW OR EXPANDED PREMISES, NEW PERMANENT FULL-TIME POSITION, and ***NOTIFICATION DATE*** have the meanings defined in Md. Code Ann., Tax-Property Article, § 9-230, or any successor provision.

AVERAGE WAGE. The 50th percentile wage for the Frederick Workforce Region in the Occupational Employment and Wages Statistics published by the Maryland Department of Labor in the prior calendar year.

COUNTY. Frederick County, Maryland.

DIRECTOR OF FINANCE. The Director of Finance for Frederick County or designee.

ENHANCED NEW JOBS TAX CREDIT. The credit granted under this article to a qualified business entity against the county real property tax imposed on the new or expanded premises that qualify under state law for an enhanced new jobs credit.

NEW JOBS TAX CREDIT. The credit granted under this article to a qualified business entity against the county real property tax imposed on the new or expanded premises.

§ 1-8-433 ELIGIBILITY FOR TAX CREDIT.

(A) To qualify for a new jobs tax credit under this article, a business entity must, on or after July 31, 2011:

(1) Construct, or expand by at least 5,000 square feet, premises in Frederick County on which it conducts business by buying, building, or leasing new premises;

(2) Employ at least 25 persons in new permanent full-time positions paying at least the average wage located in the new or expanded premises in Frederick County within the first 24-month period after it occupies the new or expanded premises;

(3) Be located in a priority funding area as designated in Title 5, Subtitle 7B of the State Finance and Procurement Article; and

(4) Notify the Director of Finance, as required under Md. Code Ann., Tax-Property Article, § 9-230(b)(6) **[**state law**]**;

(5) Meet all other requirements under state and county law to qualify for the new jobs credit; and

---

Underlining *indicates matter added to existing law.*
[Single boldface brackets**]** *indicates matter deleted from existing law.*
*** - *indicates existing law unaffected by bill.*

(6) After meeting the requirements set forth above, and in order to continue to receive a new jobs tax credit each year allowed under this ordinance, the business entity must thereafter maintain at least 25 persons in permanent full-time positions located in the new or expanded business premises as indicated above for a period of 3 years after each year that a tax credit is allowed.

***

§ 1-8-436 ADMINISTRATION OF TAX CREDIT.

(A) A business entity must apply for either tax credit on a form furnished by the Director of Finance, must identify which tax credit it intends to request, and declare when and how it expects to qualify for the credit.

(B) When a business entity believes it has met all requirements for the tax credit, it may apply for certification on a form furnished by the Director of Finance and must provide sufficient information to show that all requirements under this article and applicable state law have been met <u>on or before April 30 of each calendar year to receive this tax credit for the following tax year (July 1 through June 30)</u>.

(C) The Director of Finance shall:

(1) Determine the eligibility of the business entity for the tax credit;

(2) Notify the State Department of Assessments and Taxation that a business entity has been approved for the tax credit; and

(3) Require submission of information by the business entity each year that a tax credit is sought and during the 3 taxable years after any year when the tax credit was earned to verify, to the Director of Finance's satisfaction, that the business entity continues to satisfy all applicable requirements under this article.

(D) A business entity which submits a false or fraudulent application, or withholds information, to obtain a tax credit under this article must repay the county for all amounts previously credited for any and all years that the credits were provided and all accrued interest and penalties that would apply to those amounts as overdue taxes. A business entity which violates this subsection is liable for all court costs and expenses of the county in any civil action brought by the county against the violator. The county may collect any repayable tax credit, and otherwise enforce this article, by any appropriate legal action.

(E) The Director of Finance may promulgate regulations to administer the new jobs tax credit and enhanced new jobs tax credit enacted by this article.

<u>Underlining</u> *indicates matter added to existing law.*
[Single boldface brackets**]** *indicates matter deleted from existing law.*
**** - indicates existing law unaffected by bill.*